

Reagan Praises Action On Social Security Bill

By DAVID SHRIMAN
Special to The New York Times

WASHINGTON, March 11 — President Reagan commended his cabinet today for its swift action on legislation to shore up Social Security and said he hoped to sign a bill before April 3.

"Members of Congress have been working very responsibly in the past few weeks to reach agreement on a major Social Security bill," the President said at his White House news conference, "and I'm hopeful that I'll have a bill on my desk before Easter."

Mr. Reagan's remarks came after the Senate Finance Committee, working late to hasten action on Social Security, approved its version of the bill Thursday night.

The Senate bill follows the broad outline of the \$108.3 billion plan approved Wednesday by the House Budget Committee and is expected to be voted on next week, perhaps as early as Tuesday. Senate leaders believe the legislation will almost certainly be approved.

Departs From House Plan
The Senate bill, approved by a vote of 18 to 1, departs from the House plan to address perhaps the most controversial element of the Social Security issue, the trust fund's long-range financial health.

The House voted to raise the retirement age gradually, permitting it to reach 68 in the year 2029 and 69 in the year 2037. The Senate version, approved by a vote of 13 to 4, would raise the retirement age to 68 years over a 15-year period in the next century and would cut initial benefits in the next century by about 5 percent.

The Senate bill also includes the combination of benefit cuts and tax increases that are at the heart of the recommendations made in January by the National Commission for Social Security Reform. The plan, for the first time, would also make old-age benefits of higher-income retirees subject to Federal income tax and force new Federal employees to join the Social Security System.

The Senate panel, however, made a number of important technical adjustments that, if passed, would have to be negotiated by a House-Senate conference committee. Among the adjustments were these:

• Both plans call for a six-month delay in cost-of-living benefit increases for retired people, but the Senate version provided for further cost-of-living benefit increases. These cuts, which would be aimed first at those whose benefits exceeded \$50 a month, would occur only if a severe economic downturn after 1985 brought trust fund

reserves to a dangerously low level and if Social Security had exhausted its options to borrow from other trust funds.

• The Senate committee approved a measure that would not penalize spouses who left the work force to care for children. Under current law, a worker's five years of lowest income are removed from the formula that determines Social Security benefits, with the effect of increasing those benefits. This plan would increase the "drop-out" as it is called, by two years for those who leave the work force to care for children under the age of 6.

• The panel voted to gradually eliminate, beginning in 1990, provisions that discourage older people from working by penalizing their Social Security benefits. Social Security benefits are now reduced by \$1 for every \$3 of income earned above \$6,000 a year by Social Security beneficiaries under the age of 70.

• The Senate plan offers the self-employed considerably higher credits against self-employment taxes than does the House bill. The credits that both versions provide would decrease over time, but the Senate bill begins with a 2.9 percent credit rate, compared with the 2.1 percent credit in the House version.

Taxation Formula Changed
The final major departure would adjust the formula that determines whether a retired person's Social Security benefits would be subject to taxation. Under the provision adopted by the House, a portion of benefits would be included in taxable income for those whose adjusted gross income, as determined from Social Security, exceeded \$25,000 for individuals and \$32,000 for couples filing joint returns.

The Senate provision would include tax-exempt income in the formula to determine whether benefits would be subject to taxation. But it would not subject those tax-free earnings to taxes. Some members of Congress maintain that the taxation of Social Security benefits would be a double taxation. But proponents of the plan argue that most retired people receive far more Social Security benefits than they contributed to the trust funds.

"Most people get what they put in after two or three years," said a Congressional aide. "The tax isn't on the contribution, but on the windfall."

If the provision is enacted, about 7 percent of the Social Security beneficiaries would be affected in 1984, according to Congressional estimates. That percentage would rise in future years.

The committee turned aside a proposal by Senator Bill Bradley, Democrat of New Jersey, to put off the taxation of benefits until a retired person had received back his contribution, plus interest.

"We're trying to put together a plan that would take this program in the shape," said Senator Daniel Patrick Moynihan, Democrat of New York. Then, referring to the Bradley proposal, he added: "I think this will be a pleasant thing to do, I also think it is a dangerous thing to do."

Brennan Weds Secretary

WASHINGTON, March 11 (AP) — Associate Justice William J. Brennan of the Supreme Court, whose wife died of cancer three months ago, has married Mary Fowler, his longtime secretary. Justice Brennan, who is 78 years old, is the Court's senior justice. He told his fellow Justices of his marriage Thursday.



President Reagan at his news briefing yesterday at the White House. He discussed the dispute surrounding the Environmental Protection Agency.

Reagan Mounts Counterattack on Environmentalists in E.P.A. Fight

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tion and its policies were the target." The President smiled broadly as he stepped into the briefing room, and he clearly had an appetite for environmental questions, sounding more combative than defensive in defending the Administration's record.

On other subjects, Mr. Reagan vowed to veto the pending recession relief bill if the banking industry succeeded in winning an amendment to repeal the new law withholding taxes on interest and dividend payments. He also appealed again for \$10 million in military aid for El Salvador, saying a "political solution" was his ultimate goal there.

After Mr. Reagan attacked those who had criticized Mrs. Burford, he was reminded by a questioner that Mrs. Burford's strongest critics lately included ranking members of his own staff. The President offered a quick look and said, "I still would like to find them out and identify them."

"They're probably the same people who said that about me," he said. "I've heard that about everyone in my Administration, all of whom were cleared completely." Mr. Reagan then said he was quarreling with several days of estimates offered freely by anonymous

members by some of his own senior staff members as authoritative predictions that Mrs. Burford, while publicly defending the Administration, would be forced from office to relieve political pressures.

Mrs. Burford resigned Wednesday night, with at least some Presidential aides still anonymously saying the White House had brought about her departure for the good of the President.

Asked after the briefing today for an explanation of these differences between the President and his staff, the White House spokesman, Larry M. Speakes, said such "leaks" of self-serving information offered to select reporters, happened in every Administration.

First Comment on Allegations

In defending Mrs. Burford, the President commented for the first time on allegations that as Administrator she was once overheard saying she had withheld cleanup money for a dump for toxic wastes in California last year to keep nonunion workers from striking. Edmund G. Brown Jr., who was then Governor. The allegation was forwarded by the White House to the Justice Department last week. Mrs. Burford said she had heard Mrs. Burford confirm in a television interview last night that she had and was his Administration, can be very proud of our record in environmental protection.

"She said that possibly she made

some remark to that effect, but it had nothing to do with the decision that was made," the President said. "It was a decision that was made on entirely different and practical grounds, and she also pointed out that with the election over she still, due to those other reasons, still has not made the decision on that particular site in California."

The President was asked whether he was aware of opinion polls, some taken by Republican pollsters, showing the public had come to perceive his policies as "more favorable to the pollsters than to the public."

Environmental Extremism

"That's all they've heard, but no one has given any evidence that that is true," Mr. Reagan responded spiritedly. "I'd like to call your attention to the fact that in eight years as Governor, California not only led every state in the union, we led the Federal Government in environmental protection. We were the forerunners of the whole movement. And how this idea has come, I sometimes suspect that the lobbyists for the environmental interests feel they have to keep their constituents stirred up or they might not have jobs any more."

He was then asked about his past statements about "environmental extremism."

"I think it is environmental extremism," he replied. "I don't think they'll be happy until the White House looks

like a bird's nest."

Various public interest environmental groups later complained about the President's criticism, saying it did not deal directly with allegations that officials of the environmental agency had slowed the enforcement process, favored corporate polluters, made politically partisan decisions, destroyed vital records and committed perjury in dealing with Congressional investigators.

The National Audubon Society rebutted the President with his own metaphor, contending, "Blame is coming home to roost in the White House, where it belongs."

The President declared at the new conference, "We, this Administration, can be very proud of our record. And, believe me, it tops what we found when we came here."

Even as Presidential aides privately said Mrs. Burford's departure would help the President's E.P.A. fight, she publicly disputed this.

"When I know and have faith in the individual," he said, "I am not going to yield to the first attack and run for cover and throw somebody off the sleigh."

Quoting Mrs. Burford, the President said she was "far more concerned with the national welfare and is a far bigger person than those people who have been sniping at her and who have been going public with unfounded allegations."

Transcript of President's News Conference on Foreign and Domestic Matters

Following is a transcript of President Reagan's news conference in Washington yesterday, as recorded by The New York Times:

OPENING STATEMENT

Members of Congress have been working very responsibly in the past few weeks to reach agreement on a major Social Security bill. I'm hopeful that I'll have a bill on my desk before Easter.

A bipartisan coalition is also working very hard to produce a responsible jobs bill that will help to put Americans back to work.

I strongly support those efforts, but I'm deeply disturbed by the possibility that the jobs bill will suddenly become a Christmas tree for special interest legislation. We must firmly oppose that effort.

In the meantime, there are many other areas where we must achieve bipartisanship on issues ranging from the budget to providing critical assistance for Central America and the Caribbean.

QUESTIONS AND ANSWERS

Status of Job Bill

Q. Mr. President, on the jobs bill, on the threat of adding Christmas trees to it, the banking industry has been put in a provision to exempt themselves from that withholding tax, and your Administration has also accused the banking industry of having interest rates that are too high. What's going on? Is the banking industry threatening the economic recovery?

A. All I can say is that this intensive lobbying they've done has led to a great distortion of the facts. Now, they've made many people to believe, or to ignore the fact of how many millions of people would be exempt from any withholding; that this would not — as a matter of fact, virtually all senior citizens would be exempt. And I think that the banking industry would do a lot better to spend its time thinking about lowering interest rates than lobbying the way they are with regard to this legislation.

Q. Mr. President, would you veto any legislation where a taking-type amendment is attached to the jobs bill, for example?

A. You know, Helen, I've always said that I resist saying in advance whether I will veto or not. There're always exceptions to rules, and this is an exception. Yes, I would veto such legislation.

Aid to El Salvador

Q. Mr. President, you talk of bipar-

tisanship but you seem to be a long way from any kind of bipartisan agreement, when it comes to the question of aid for Central America. The Speaker called it a bipartisan situation down there greatly overblown. Democrat Mr. Tsongas talked about blackmailing the idea that you had to get the money or there'd be no more advisers down there. What about that and what about the idea that we could just keep on sending money down there as the other side escalated until we had ourselves another situation where we were in too deep to get out?

A. Well, you know with regard to the Speaker, my Irish are very oratory. I think that the banking industry would do a lot better to spend its time thinking about lowering interest rates than lobbying the way they are with regard to this legislation.

Now, in order to assure a lasting recovery and a lasting peace, we owe it to the people of Central America another year of great accomplishment in the Congress.

And I'll bet that you have a few questions.

And I think that it is an obligation here to try and help as we have. Now, our economic help to that country has been two to one over military aid. And the military help has been limited to spare parts and supplies, and so forth, and individual trainees.

Q. I'd like to just follow up, sir. People are asking, where does it go? A. Where it ends with the recognition that the people of El Salvador, given a chance at the ballot box, have made it plain that they want order and peace and democracy. And this government, then, is making every effort to persuade the guerrillas, to offer amnesty, to persuade them to come in and participate in the democratic process and not try to shoot their way into a ruling position in government.

And where I think it ends is with a political and an economic solution. We're trying to help them economically. The economy is being destroyed by the guerrillas. Every day we hear a little note about a power failure because they bombed some power plant or facility, every time they do away with bridges and highways and transportation and so forth in their guerrilla attacks, these leave people without food and industry stopped, and so forth.

And there has to be an end to that and a political solution to this problem. And that's what we're aiming at.

television make that statement about the site. And she said that possibly she made some remark to that effect. But it had nothing to do with the decision that was made. The decision was made on entirely different and practical grounds.

And she also pointed out that with the election over, she still, due to those other reasons, still has not made the decision on that particular site in California.

Now, I'm glad that you brought that subject up because I think that what she did in resigning, I did resign very much and I never would've asked for her resignation. She was doing a job and we, his Administration, can be very proud of our record in environmental protection.

And believe me, it tops what we found when we came here. And the fact that she was able to do it with a reduced budget, well, I've asked everyone in my Government to do things with a reduced budget and with fewer employees, if possible.

That was what we came in here to do: to make government more efficient, to eliminate waste and extravagance.

And she has revealed that she is far more concerned with the national welfare, and is a far bigger person than those people who have been sniping at her and who've been going public with unfounded allegations, accusations and charges.

And she, from the very first, was willing to make every document available to them. It was my responsibility to them, and more recently to give them access, in a kind of controlled way, to protect because of confidentiality and sensitive.

But she was willing to give them all, which shows, in my book, she had nothing to hide. But I don't think that the people who were attacking her were concerned about the environmental protection and the fact that she was concerned about any possible wrongdoing.

As a matter of fact, I think this Administration and its policies are their target. And frankly, I'd wonder how they manage to look at themselves in the mirror in the morning.

Q. Mr. President, much of the sniping, though, came from inside the White House — from your staff, other people outside who were motivated to do it. Governor Keane out of New Jersey was not discouraged from coming down here and asking her to resign. How do you react to that? I mean, you didn't put a stop to that.

A. No, I don't know of anything of the kind. I have no idea, I know that I can't give you a date when these named White House sources that thought that she would resign, and I will admit there were people in my environment who thought that she would resign. I would like to find them out and identify them — there must've been people, or they're probably the same people that said that about everyone else who was attacked in some way in my Administration, all of whom have been cleared completely.

And yet the same charges were made. Oh, it might be a political embarrassment. Well, I'm not that easily politically embarrassed. When I know and have faith in the individual, I am not going to yield to the first attack and run for cover and throw somebody off the sleigh.

Q. Mr. President, the Republican poll show that your policies are perceived by the public as your environmental policies — as being more favorable to polluters than to the public. How do you intend to change any of your environmental policies now that Mrs. Burford has gone?

A. That's all they've heard, but no one has given any evidence that that is true. I would like to call your attention to the fact that in eight years as Governor, California not only led every state in the union, we led the Federal Government in environmental protection. We were the forerunners of the whole movement. And how this idea has come, I sometimes suspect that the lobbyists for the environmental interests feel they have to keep their constituents stirred up or they might not have jobs any more.

Q. Well, do you think the slowness in getting the Superfund into action on a number of sites has contributed to that perception and the fact that you've been quoted in the past as talking about environmental extremism?

A. Well, there is environmental extremism. I don't think they'll be happy until the White House looks like a bird's nest.

Q. Thank you, Mr. President.

A. May I, Helen, once, say I disagree. There was a young lady here who I missed over.

Q. Thank you, Mr. President. The Civil War there has been going on for three years. With the aid that you're now proposing, do you feel that you have an idea where the conflict will stop, when it will be under control? Or is the United States prepared to make an open-ended commitment?

A. I can't give you a date when a thing of this kind will end. Every effort is being made, as I say, to persuade them to come peace and join in a peaceful solution to the problem.

This is also a regional problem, the other countries, their neighbors, Costa Rica, Honduras, Guatemala, Panama, others, are holding meetings to see what they regionally can do about this. Now, we're not participating in those. We will be an interested observer. We certainly encourage that kind of thing.

But, these are other countries that have adopted democracy. Costa Rica, I don't know of any country, they don't even have an army. They're the most democratic country that you could imagine. Honduras has ended a long tradition of military rule and has a democratic form of government.

And they all want to help because they recognize that this is an outside threat, really, to the security of the Western Hemisphere. And I hope that it'll be a short time. I hope that these appeals and offers of amnesty will bring some of those people down from the hills.

But I also have to recognize — not be naive — that these people up there in the hills are not just discontented peasants who've managed to get their hands on military weapons. These are trained and highly equipped military forces. And trained and equipped and backed by outsiders, by way, mainly, of Cuba, through Nicaragua. And I think that we have to stay with this. And I don't see why there is so much opposition to it.

We have no intention of sending combat forces, nor have we ever been asked for combat forces. And there's no intention of us sending the adviser teams to be with combat units or anything. We're talking about simply giving their military some of the fundamental training to enable them to do the job.

Q. Mr. President, the Soviets... A. Helen said thank you. I've gotta go.

Q. Can't you just tell us what the Soviets expelling the spy was and he spied what was your reaction?

A. I don't know anything further than you know about that.

El Salvador Commitment

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